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6 IN THE UNITED STATES DISTRICT COURT
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8 FOR THE NORTHERN DISTRICT OF CALIFORNIA

9 LOTES CO., LTD.,

10 Plaintiff,

No. C 11-01036 WHA

11 v.

12 HON HAI PRECISION INDUSTRY CO.,
13 LTD., and FOXCONN ELECTRONICS, INC.,

14 Defendants.
_____ /

**STAY OF CLAIMS ARISING
OUT OF THE PATENT
LICENSE AGREEMENT**

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16 The Court is in receipt of the parties' briefing on the proposed case management plan
17 discussed at the hearing on Thursday, August 3 (Dkt. Nos. 329, 330). The parties prefer to
18 litigate issues arising out of the Patent License Agreement in this forum; however, as the
19 undersigned judge discussed in detail at the hearing, the Taiwan court's judgment on the scope
20 of the PLA and royalties owed under it are final, have already been enforced, and must be
21 respected (*see* Dkt. No. 324 at 13–17).


22 The practical solution, therefore, is to put all issues regarding the PLA on hold in this
23 action and for the parties to litigate these issues in Taiwan, where the patent owners originally
24 chose to bring their claims relating to the PLA and where both sides litigated issues arising out
25 of the PLA. Taiwanese judges can best settle the parties' disagreement over whether the final
26 Taiwan judgment's PLA determination constitutes a final judgment for res judicata purposes
27 even though it is outside of the main text of the decision (Dkt. Nos. 278 at 7–8, 280 at 14–15).
28 Moreover, while the first-instance judge in that action is apparently no longer with the court,

1 the second-instance judges who authored the final Taiwan judgment can shed light on the
2 PLA issues if a first-instance judgment were appealed in the new proceedings in Taiwan
3 (Dkt. No. 330 at 3–4).

4 This order therefore **STAYS** the parties’ PLA claims in all respects, pending proceedings
5 in Taiwan. Meanwhile, this action shall proceed to trial in November on the claims relating to
6 newly asserted patents.

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8 **IT IS SO ORDERED.**

9 Dated: August 15, 2017.

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11 WILLIAM ALSUP
12 UNITED STATES DISTRICT JUDGE
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